

REMARKS

Reconsideration and allowance in view of the foregoing amendments and the following remarks are respectfully requested. By this Amendment, claims 28, 29 and 31-41 have been amended. New claims 42-49 have been added. No new matter has been submitted as the claims are fully supported by the originally filed application.

In Section 6 of the Final Office Action, dated December 23, 2003, the Examiner rejected claims 33 and 34 under 35 U.S.C. §112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s) , at the time of the application was filed, has possession of the claimed invention. Claims 33 and 34 have been amended in this Response to address the Examiner's objections. The amended claims 33 and 34 are fully supported by the specification (see page 13, lines 1-5).

In Section 8 of the Office Action, the Examiner rejected claims 34 and 39 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 34 and 39 have been amended to clarify the scope of the claims. The Currently Amended claims are fully supported by the specification (see page 18, lines 3-7, page 21, lines 3-7, and page 22, lines 6-10).

In section 11 of the Office Action, the Examiner rejected claims 28-36, 38-41 under 35 U.S.C. §102(b) as being anticipated by Logan et al. (U.S. Patent No. 5,721,827). The Applicant respectfully traverse the rejection.

The claimed invention discloses a system and method in which a content provider offers to provide content to a user with two options. The first option is to

receive the content without advertisement and the second option is to receive the content with advertisement. The former option is associated with a choice compensation paid by the client who chooses to receive content without advertisement. The latter option does not associate with a choice compensation. The user elected option is used by the content provider to transmit the content according to the user's elected option, as claimed in claim 28. That is, if the first option is elected, no advertisement is to be sent to the user or the advertisement is sent only when the user elects the second option.

It is noted that, in the claimed invention, what is sent from the content provider to the user corresponds to what the user elects to receive. The choice of what to be received is communicated to the content provider prior to the transmission of content. The Applicant respectfully points out that, in the claimed invention, the option is presented by the content provider to the user, prior to transmitting the content to the user, the choice of option is made by the user, also prior to the transmission of the content from the content provider to the user, and the content provider transmits only what the user elects to receive, as claimed in claim 28.

Logan et al. teach an audio program and message distribution system, in which a host system transmits program segments to a client, wherein the program segments may include both audio programs and advertisements. A playback unit deployed at each client site is also disclosed that is capable of downloading the program segments in their entirety and enabling the client to select portions of the received programs and to reorder such selected portions to reproduce a desired sequence of playback segments. A usage log is recorded based on the interaction(s) between the client and

the playback unit and can be uploaded to the host system for different purposes such as billing and updating client's preferences.

In Logan's system, the host system merely organizes and transmits the program segments. Selection of desired portions of the received program segments and ordering them in a desired sequence for playback are performed after the entire program segments have been received. The selection is done strictly locally at each client site with respect to the program segments that are stored locally in a randomly addressable manner. That is, the host system in Logan plays no part in providing, according to user's selections, only the desired portions for playback and is not aware of the selections until after the playback is completed and when a usage log recording the portions that are actually played is received. Therefore, Logan et al. teach a decentralized system in which the host system transmits program segments to clients regardless whether the transmitted segments will be selected by the client or not.

In contrast, in the claimed invention, (1) it is the content provider that offers options to a user related to what to be transmitted, (2) the user's election of an option concerning what to be received with the content is made prior to transmission of the content, and (3) the transmission of the content from the content provider to the user is conducted according to the user's elected option.

The difference between the claimed invention and Logan can be more clearly seen based on their respective information flows. The information flow according to Logan is (1) transmission of content from a content provider to the user, (2) storage of the received content at the user site, (3) selections and ordering of desired segments of the received content from the local storage, (4) recording the selections in a usage log, and (5) transmission of the usage log to the content provider. According to the

claimed invention, the information flow is (a) transmission of an offer to provide content with options to a user, (b) election of one option by the user, (c) transmission of the user's election to the content provider, and (d) transmission of the offered content, with or without advertisement, according to the user's elected option from the content provider to the user.

According to MPEP §2131, to anticipate a claim, the reference must teach every element of the claim. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Comparing the flow of Logan and that of the claimed invention, the difference is clear. Logan et al. do not teach offering, by a content provider to a user, to provide content with options prior to transmission of content. Logan et al. do not teach electing, by a user, an option and communicating the elected option to the content provider prior to transmission of content. Logan et al. do not teach a content provider that transmits content to a user, with or without advertisement, based on a user elected option received prior to the transmission.

Therefore, the Applicant respectfully requests that the rejection of claim 28 under 35 U.S.C. §102(b) be withdrawn.

Claims 29-36, 38, and 39 depend from claim 28. Consequently, claims 29-36, 38, and 39 are patentable at least for the reasons stated above with respect to claim 28 and for the additional features recited therein. Therefore, the Applicant respectfully requests that the rejection of claims 29-36, 38, and 39 under 35 U.S.C. §102(b) be withdrawn.

The amended claim 40 parallels claim 28 in system. Consequently, claim 40 is patentable for the reasons stated above with respect to claim 28. Therefore, the Applicant respectfully requests that the rejection of claim 40 under 35 U.S.C. §102(b) be withdrawn.

Claim 41 depends from claim 40. Consequently, claim 41 is patentable at least for the reasons stated above with respect to claim 40 and for the additional features recited therein. Therefore, the Applicant respectfully requests that the rejection of claim 41 under 35 U.S.C. §102(b) be withdrawn.

In section 13 of the Office Action, the Examiner rejected claim 37 under 35 U.S.C. §103(a) as being unpatentable over Logan et al. (U.S. Patent No. 5,721,827). The Applicant respectfully traverse the rejection.

Claim 37 depends from claim 28. Consequently, claim 37 is patentable at least for the reasons stated above with respect to claim 28 and for the additional features recited therein. Therefore, the Applicant respectfully requests that the rejection of claim 37 under 35 U.S.C. §102(b) be withdrawn.

All objections and rejections having been addressed, it is respectfully submitted that the present application is in condition for allowance and a notice to that effect is earnestly solicited.

Respectfully submitted,
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